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August 17, 2017

Sent via email - alice.glasner@cpuc.ca.gov

Alice Glasner
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 95401

Re: *California Public Utilities Commission and California Energy Commission Joint Staff Draft Proposal Senate Bill 350 Disadvantaged Communities Advisory Group*

Dear Ms. Glasner:

The M-S-R Public Power Agency (M-S-R) appreciates the opportunity to provide these comments to the California Public Utilities Commission (CPUC) and California Energy Commission (CEC) staff on the *Joint Staff Draft Proposal; Senate Bill 350 Disadvantaged Communities Advisory Group* (Staff Proposal). M-S-R is a public agency formed in 1980 by the Modesto Irrigation District, the City of Santa Clara, and the City of Redding.¹ M-S-R is authorized to acquire, construct, maintain, and operate facilities for the generation and transmission of electric power, including renewable and low-emission energy, and to enter into contractual agreements for the benefit of any of its members. M-S-R and its members have demonstrated their commitment to helping the state meet its climate and clean energy goals, including the goal of ensuring that the benefits of those clean energy measures are realized by all the customers in their respective service territories. M-S-R's members serve diverse communities in northern California with vastly different demographics. This includes electricity customers in disadvantaged and low-income communities, and despite the fact that their member communities are so diverse – ranging from customers in rural central and northern California, to customers in the heart of California's Silicon Valley – each of its member agencies share a common interest in ensuring that all of their electricity customers receive safe, reliable, and reasonably priced electricity, and strive to ensure that utility programs benefit all their customers.

M-S-R offers these limited comments in the interest of helping to shape the charter of the Disadvantaged Communities (DAC) Advisory Group and the role of individuals that will serve

¹ All of the M-S-R members are local publicly owned electric utilities, as defined in Public Utilities Code section 224.3.

on the DAC Advisory Group. As development of the DAC Advisory Group continues, M-S-R looks forward to the opportunity to provide feedback on the charter and proposed application for DAC Advisory Group members.

M-S-R supports the DAC Advisory Group principles outlined in the Staff Proposal to increase the benefits of clean energy programs in disadvantaged communities, increase access to clean energy technologies for disadvantaged communities; and maintain the affordability of electric and gas service.² The DAC Advisory Group will be responsible for providing feedback to the CPUC and CEC “on programs proposed to achieve clean energy and pollution reduction and determine whether those proposed programs will be effective and useful in disadvantaged communities” across the state, and therefore it is vitally important that the representatives that serve on this advisory panel represent a broad range of DAC and low-income community interests. It is equally important that the Advisory Group include representatives that have an understanding of California’s electric industry and utility governance structures which include not only the investor owned utilities governed by the CPUC and CEC, but also publicly owned utilities, electric cooperatives, and community choice aggregators overseen by separate governing boards. The Staff Proposal proffers several questions related to the qualifications of the potential applicants³; in response to those inquiries, M-S-R notes that the Advisory Group should be comprised of members with the requisite expertise to understanding the utility industry implications of the statutory requirements of SB 350, as well as the communities that will be served. The qualifications listed on page 3 of the Staff Proposal do not address that aspect of the potential scope of the Advisory Group’s purview. In order to fully opine on the potential efficacy of a program, the Advisory Group must also include individuals with the necessary technical expertise and related background in utility and/or energy programs. It will be incumbent upon the CPUC and CEC, therefore, to ensure that the Advisory Group represents this balance.

The Staff Proposal asks for stakeholder feedback on how the work of the Disadvantaged Communities Advisory Group and the Low Income Oversight Board (LIOB) can be best coordinated.⁴ M-S-R believes that coordination and alignment with the LIOB is critical to both ensure that the benefits to be achieved via the work done by the DAC Advisory Group reaches the broadest possible range of communities most adversely impacted by climate change and escalating utility costs, and to leverage the substantial amount of work and resources that have already been invested in the LIOB. While the DAC Advisory Group’s enabling legislation refers to the disadvantaged communities identified in H&S section 39711, it cannot be disputed that communities not included within that technical definition are also clearly disadvantaged based on a review of the criteria outline in 39711(a). Furthermore, it is likely that the efficacy and usefulness of utility programs targeted at clean energy and pollution reduction would be very similar – if not identical – for electricity customers in communities identified as “disadvantaged” as they would be for customers covered within the purview of the LIOB. For example, the study objectives outlined in the Lob’s report “*Needs Assessment for the Energy Savings Assistance and the California Alternate Rates for Energy Programs*” closely track with the principles set forth in

2 Staff Proposal, p. 2.

3 Staff Proposal, Questions 4, 5, and 6.

4 Staff Proposal, Question 10.

the Staff Proposal.⁵ This overlap is also evident when looking at the DACs as defined by the California EPA and the demographic within certain communities; for example, while the City of Santa Clara has low-income communities that reflect the indicia in 39711(a), the majority of the areas of the City that are within the California EPA's defined DACs are industrial areas with few to no residential customers. To optimize the benefits to the targeted communities across the state, the DAC Advisory Group and LIOB should share, rather than duplicate, any assessments or program reviews; this will ensure that the feedback and recommendations provided to the CPUC and CEC from the two bodies is aligned and avoid potential contradictions. While the DAC Advisory Group and LIOB are separate and independent entities with slightly different focuses, the two groups should combine efforts and even meet jointly when assessing areas where there is clear overlap between their respective responsibilities and objectives. By doing so, the collective resources and expertise of the two groups would be utilized to maximize the benefits to both disadvantaged and low-income communities.

M-S-R appreciates the opportunity to provide this feedback on the Staff Proposal. Developing the DAC Advisory Group charter and member application is an important threshold step in helping to further the state's clean energy and environmental goals for all Californians. M-S-R looks forward to the opportunity to provide feedback on the DAC Advisory Group charter and proposed application for DAC Advisory Group members when those documents are available.

Respectfully submitted,



Martin R. Hopper
General Manager
M-S-R Public Power Agency

⁵ The LIOB assessments can be found at <http://liob.cpuc.ca.gov/Docs/2016%20LINA%20Final%20Report%20-%20Volume%201%20of%202.pdf>.